



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**LARRY B. MARTIN
COMMISSIONER**

FOR IMMEDIATE RELEASE
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DECEMBER REVENUES

NASHVILLE – Tennessee revenue collections for December fell below collections for the same month the year before. Finance and Administration Commissioner Larry Martin reported today that state revenue collections for December were \$966.6 million, which is 1.59% below December 2012. December sales tax collections represent consumer spending that occurred in November.

“Total revenue for December was lower than expected, primarily due to under collections in sales and corporate taxes, even though December revenues include ‘Black Friday’ and after-Thanksgiving sales,” Martin said. “We believe having six less days of shopping after Thanksgiving 2013 compared to the previous year accounts for the under collection, but January’s report will give us a more complete picture of Christmas retail activity.

“Because of an anticipated revenue shortfall this year, we will closely monitor our collections and spending for the remainder of the current fiscal year, and work closely with the Legislature in the adoption of a balanced and responsible budget for the 2014-15 fiscal year.”

On an accrual basis, December is the fifth month in the 2013-2014 fiscal year.

December collections were \$47.9 million less than the budgeted estimate. The general fund was under collected by \$57.2 million and the four other funds were over collected by \$9.3 million.

Sales tax collections were \$3.0 million less than the estimate for December. The December growth rate was 2.53%. For five months revenues are under collected by \$24.3 million, and the year-to-date growth rate is 3.33%.

Franchise and excise taxes combined were \$54.5 below the budgeted estimate of \$254.0 million. For five months revenues are under collected by \$158.3 million.

Gasoline and motor fuel collections for December increased by 18.55% and they were \$10.7 million above the budgeted estimate of \$63.7 million. For five months revenues are over collected by \$4.3 million.

Tobacco tax collections were \$0.9 million below the budgeted estimate of \$22.8 million, and for five months they are \$5.4 million below the budgeted estimate.

Privilege tax collections were \$2.8 million less than the budgeted estimate of \$20.6 million. Year-to-date collections for five months are \$1.4 million below the budgeted estimate.

Inheritance and estate taxes were over collected by \$3.7 million for the month. For five months collections are \$15.0 million above the budgeted estimate.

All other taxes were under collected by a net of \$1.1 million.

Year-to-date collections for five months were \$171.1 million less than the budgeted estimate. The general fund was under collected by \$175.8 million and the four other funds were over collected by \$4.7 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19, 2012 and adopted by the first session of the 108th General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013 to hear updated revenue projections from the state's various economists, and on December 17 adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
December
2012-2013

Fund	2013				2012 Actual	2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$806,475,000	\$863,640,000	(\$57,165,000)	-6.62%	\$833,747,000	(\$27,272,000)	-3.27%
Highway Fund	55,540,000	49,671,000	5,869,000	11.82%	48,289,000	7,251,000	15.02%
Sinking Fund	34,082,000	34,116,000	(34,000)	-0.10%	33,301,000	781,000	2.35%
City & County Fund	67,573,000	64,115,000	3,458,000	5.39%	63,963,000	3,610,000	5.64%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,900,000	0	0.00%
Total	\$966,570,000	\$1,014,442,000	(\$47,872,000)	-4.72%	\$982,200,000	(\$15,630,000)	-1.59%

Revenue Collections by Tax
December
2012-2013

Tax Source	2013				2012 Actual	2013	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$199,547,000	\$254,000,000	(\$54,453,000)	-21.44%	\$243,014,000	(\$43,467,000)	-17.89%
Income	2,493,000	3,443,000	(950,000)	-27.59%	5,345,000	(2,852,000)	-53.36%
Inheritance & Estate	10,696,000	6,980,000	3,716,000	53.24%	6,386,000	4,310,000	67.49%
Gasoline	55,611,000	48,226,000	7,385,000	15.31%	47,595,000	8,016,000	16.84%
Petroleum Special	5,466,000	5,047,000	419,000	8.30%	4,898,000	568,000	11.60%
Tobacco	21,875,000	22,766,000	(891,000)	-3.91%	22,734,000	(859,000)	-3.78%
Beer	1,357,000	1,267,000	90,000	7.10%	1,342,000	15,000	1.12%
Motor Vehicle Registration	15,978,000	16,408,000	(430,000)	-2.62%	16,249,000	(271,000)	-1.67%
Motor Vehicle Title	828,000	886,000	(58,000)	-6.55%	781,000	47,000	6.02%
Mixed Drink	6,055,000	5,498,000	557,000	10.13%	5,370,000	685,000	12.76%
Business	5,645,000	4,789,000	856,000	17.87%	4,686,000	959,000	20.47%
Privilege	17,818,000	20,579,000	(2,761,000)	-13.42%	18,241,000	(423,000)	-2.32%
Gross Receipts	1,000	(53,000)	54,000	101.89%	(704,000)	705,000	100.14%
TVA - In Lieu of Tax Payments	27,075,000	28,410,000	(1,335,000)	-4.70%	27,297,000	(222,000)	-0.81%
Alcoholic Beverage	4,993,000	5,013,000	(20,000)	-0.40%	5,140,000	(147,000)	-2.86%
Sales and Use	577,620,000	580,600,000	(2,980,000)	-0.51%	563,392,000	14,228,000	2.53%
Motor Vehicle Fuel	13,305,000	10,391,000	2,914,000	28.04%	10,251,000	3,054,000	29.79%
Severance	205,000	188,000	17,000	9.04%	182,000	23,000	12.64%
Coin-operated Amusement	2,000	4,000	(2,000)	NA	1,000	1,000	NA
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$966,570,000	\$1,014,442,000	(\$47,872,000)	-4.72%	\$982,200,000	(\$15,630,000)	-1.59%

Table 2
Revenue Collections by Fund
Year-to-Date
August - December
2013-2014

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$3,705,049,000	\$3,880,816,000	(\$175,767,000)	-4.53%	\$3,693,540,000	\$11,509,000	0.31%
Highway Fund	280,064,000	276,206,000	3,858,000	1.40%	273,254,000	6,810,000	2.49%
Sinking Fund	170,847,000	171,080,000	(233,000)	-0.14%	166,743,000	4,104,000	2.46%
City & County Fund	332,996,000	331,935,000	1,061,000	0.32%	332,061,000	935,000	0.28%
Earmarked Fund	14,500,000	14,501,000	(1,000)	-0.01%	14,500,000	0	0.00%
Total	\$4,503,456,000	\$4,674,538,000	(\$171,082,000)	-3.66%	\$4,480,098,000	\$23,358,000	0.52%

Revenue Collections by Tax
Year-to-Date
August - December
2013-2014

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$586,166,000	\$744,500,000	(\$158,334,000)	-21.27%	\$679,271,000	(\$93,105,000)	-13.71%
Income	8,768,000	9,434,000	(666,000)	-7.06%	13,339,000	(4,571,000)	-34.27%
Inheritance & Estate	49,164,114	34,170,000	14,994,114	43.88%	39,568,000	9,596,114	24.25%
Gasoline	260,810,000	257,276,000	3,534,000	1.37%	256,042,000	4,768,000	1.86%
Petroleum Special	26,646,000	26,807,000	(161,000)	-0.60%	26,386,000	260,000	0.99%
Tobacco	111,899,000	117,314,000	(5,415,000)	-4.62%	117,043,000	(5,144,000)	-4.39%
Beer	7,456,000	7,225,000	231,000	3.20%	7,454,000	2,000	0.03%
Motor Vehicle Registration	95,513,000	94,092,000	1,421,000	1.51%	92,777,000	2,736,000	2.95%
Motor Vehicle Title	4,803,000	5,080,000	(277,000)	-5.45%	4,450,000	353,000	7.93%
Mixed Drink	30,016,000	28,547,000	1,469,000	5.15%	27,565,000	2,451,000	8.89%
Business	43,118,000	43,090,000	28,000	0.06%	42,188,000	930,000	2.20%
Privilege	105,175,000	106,535,000	(1,360,000)	-1.28%	94,390,000	10,785,000	11.43%
Gross Receipts	11,866,000	14,625,000	(2,759,000)	-18.86%	11,109,000	757,000	6.81%
TVA - In Lieu of Tax Payments	142,575,000	143,828,000	(1,253,000)	-0.87%	146,303,000	(3,728,000)	-2.55%
Alcoholic Beverage	22,313,000	21,584,000	729,000	3.38%	21,312,000	1,001,000	4.70%
Sales and Use	2,929,895,000	2,954,200,000	(24,305,000)	-0.82%	2,835,530,000	94,365,000	3.33%
Motor Vehicle Fuel	66,051,000	65,131,000	920,000	1.41%	64,362,000	1,689,000	2.62%
Severance	1,088,000	1,036,000	52,000	5.02%	951,000	137,000	14.41%
Coin-operated Amusement	134,000	64,000	70,000	109.38%	58,000	76,000	131.03%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$4,503,456,114	\$4,674,538,000	(\$171,081,886)	-3.66%	\$4,480,098,000	\$23,358,114	0.52%